

HOUSE

AMENDMENT NO.____

Offered by

_____ of _____

AMEND House Substitute for House Committee Substitute for House Bills Nos. 517, et al., by inserting in the appropriate location the following:

"135.1010. As used in sections 135.1010 to 135.1014, the following terms mean:

(1) "Assessor", the officer of a local taxing authority who is primarily responsible for assessing motor vehicles for purposes of personal property taxation;

(2) "Bill preparer", the officer of a local taxing authority who is responsible for preparing bills for tangible personal property taxes;

(3) "Collector", the officer of a local taxing authority who is responsible for the collection of tangible personal property taxes;

(4) "Department", the department of revenue;

(5) "Director", the director of the department of revenue;

Action Taken _____

Date _____

(6) "Effective tax rate", the tax rate imposed by a local taxing authority on tangible personal property on the applicable class of tangible personal property multiplied by the assessment ratio;

(7) "Leased", leased by a natural person as lessee and used for nonbusiness purposes;

(8) "Percentage level", the percentage of the reimbursable amount to be reimbursed or paid by the state;

(9) "Privately owned", owned by a natural person and used for nonbusiness purposes;

(10) "Qualifying motor vehicle", any passenger car, motorcycle, or pickup or panel truck, as those terms are defined in chapter 301, RSMo, that is determined by the assessor of the local taxing authority in which the vehicle has situs to be privately owned or leased pursuant to a contract requiring the lessee to pay the tangible personal property tax on such motor vehicle; provided that, no individual shall be determined to own, either solely or jointly, or lease more than two qualifying motor vehicles. In determining whether a motor vehicle is a qualifying motor vehicle, the assessor may rely on the registration of such vehicle with the department pursuant to chapter 301, RSMo. In the event an individual owns or leases more than two motor vehicles which would otherwise be classified as qualifying motor vehicles, the assessor shall classify the individual's two least

valuable vehicles as the individual's qualifying motor vehicles;

(11) "Reimbursable amount", the value of a qualifying motor vehicle, up to the first twenty thousand dollars of value, multiplied by the effective tax rate in effect on September 30, 2004, in a local taxing authority;

(12) "Tangible personal property tax", the tax levied pursuant to chapter 137, RSMo;

(13) "Used for nonbusiness purposes", the primary use is for other than business purposes. A motor vehicle shall not be deemed "used for nonbusiness purposes" if:

(a) The motor vehicle is expensed as a depreciable business asset on the taxpayer's federal income tax return pursuant to Internal Revenue Code Section 179;

(b) More than fifty percent of the basis for depreciation of the motor vehicle is depreciated for federal income tax purposes; or

(c) The allowable expense of total annual mileage in excess of fifty percent is deductible for federal income tax purposes or reimbursed pursuant to an arrangement between an employer and employee;

(14) "Value" means the true value in money of a motor vehicle as determined pursuant to subsection 9 of section 137.115, RSMo.

135.1011. 1. For the tax year beginning on January 1,

2004, the state shall, subject to the appropriation of funds pursuant to section 135.1012, directly reimburse taxpayers for tangible personal property tax paid on any qualifying motor vehicle in an amount equal to twelve and one-half percent of the reimbursable amount for each qualifying motor vehicle. Any amount to be reimbursed to a taxpayer pursuant to this subsection shall be subject to setoff for debts owed a state agency pursuant to chapter 143, RSMo, and for delinquent child support owed pursuant to chapter 454, RSMo. Reimbursements for tax year 2004 levies paid on or before December 31, 2004, shall be sent to taxpayers by United States mail on or before May 15, 2005, pursuant to the following procedure:

(1) On or before May 31, 2004, the assessor shall certify the value of each qualifying motor vehicle to the bill preparer. No further certification shall be required if the assessor has, within the assessor's book provided to the bill preparer, identified each qualifying motor vehicle and its true value, as determined pursuant to subsection 9 of section 137.115, RSMo;

(2) On or before November 31, 2004, the bill preparer shall certify to the department, in a manner prescribed by the department, the reimbursable amount due each taxpayer;

(3) On or before January 31, 2005, the collector shall certify to the department, in a manner prescribed by the department, the names of those individuals who failed to remit

payment for the tax assessed them by December 31, 2004;

(4) On or before March 31, 2005, after a review of the certifications submitted by the bill preparers and collectors, the director shall pay each taxpayer such taxpayer's reimbursable amount using money from the property tax relief fund, created in section 135.1013.

2. (1) For tax years beginning on or after January 1, 2005, the state shall, subject to the appropriation of funds pursuant to section 135.1012, pay to collectors a percentage of the reimbursable amount of each taxpayer's personal property tax on any qualifying motor vehicle in an amount equal to the following percentage of the reimbursable amount:

For tax years beginning in calendar year 2005 27.5%

For tax years beginning in calendar year 2006 47.5%

For tax years beginning in calendar year 2007 70%

For tax years beginning in or after calendar year 2008 . . 100%

(2) In addition to all other information currently appearing on tangible personal property tax bills, the bill preparer of each local taxing authority shall ensure that each such bill shall state on its face whether the vehicle is:

(a) A qualifying motor vehicle;

(b) A deduction for the amount to be paid by the state as determined by section 135.1011; and

(c) The amount of tangible personal property tax levied on the vehicle.

(3) Reimbursement payments for levies in tax years beginning in or after 2005 shall be paid to collectors in the amount specified in this subsection for each qualifying motor vehicle, if the requirements of section 135.1012 and the following requirements are met:

(a) The bill preparer shall include such amount as a deduction on the face of tangible personal property tax bills for qualifying motor vehicles and shall clearly designate such deduction as an amount to be paid by the state. In addition to tangible personal property taxes levied on property other than qualifying motor vehicles, the taxpayer shall pay to the collector any payment due for the difference between tangible personal property taxes levied on a qualifying motor vehicle and such deduction. Within the certified personal property tax book provided to the bill preparer, the assessor shall identify each qualifying motor vehicle and its true value, as determined pursuant to subsection 9 of section 137.115, RSMo.

(b) Except as provided in subsection 3 of this section, upon full payment of the tangible personal property tax levied on

a qualifying motor vehicle, less the amount of the deduction, as described in this subsection or in cases where a taxpayer is not required to return to the collector any payment of tangible personal property tax for a qualifying vehicle, the collector may make a request to the department of revenue for payment of the reimbursement amount. Such a request may be made monthly for all qualifying motor vehicles for which taxes were fully paid in the previous month or not required to be paid and shall include a summary of the information appearing on the related tangible personal property tax bills. The summary information to be included in the request and the form of such request shall be prescribed by the director. Upon receipt of such information or any other information required by the director, the director shall issue payment from the property tax relief fund.

(4) Each tax year the department and each collector shall reconcile the amount paid by the state to such collector. The department may use the information described in this subsection and any other source or data it deems appropriate in making such a reconciliation. If the department determines that the correct amount has not been paid to such collector, the department shall, for any underpayments, make a payment for any underpayment, or, for any overpayment, reduce the respective local taxing authority's next payment or payments, in the current or succeeding years accordingly. The regulations promulgated

pursuant to section 135.1014 shall establish procedures for such reconciliations.

3. Any taxpayer, except a taxpayer with whom a local taxing authority enters into an installment payment agreement pursuant to section 139.050, RSMo, or section 139.052, RSMo, for payment of current property taxes, who fails to timely pay such taxpayer's personal property taxes for any tax year beginning after December 31, 2004, shall forfeit the right to property tax reimbursement for that tax year pursuant to sections 135.1010 to 135.1014. Additionally, for tax years beginning in or after the calendar year 2005, the bill preparer or collector may send a supplemental bill in the amount of the reimbursement deduction which appeared on such taxpayer's personal property tax bill, plus interest at a rate prescribed by section 140.100, RSMo, and fees provided by law.

4. If the situs for the assessment and taxation of a qualifying motor vehicle changes in a given tax year and the local taxing authority in which the qualifying motor vehicle first had situs in such tax year levied a tangible personal property tax on such vehicle for all twelve months of such tax year, the reimbursement shall be made only for tangible personal property taxes paid to such local taxing authority.

5. Any reimbursement required by sections 135.1010 to 135.1014 for a qualifying motor vehicle which is leased shall be

paid directly to the lessee of such vehicle.

6. No reimbursement shall be made to a taxpayer by the director where the applicable reimbursement percentage multiplied by the reimbursable amount of the taxpayer's qualifying motor vehicle yields a payment of less than five dollars.

7. Notwithstanding subsections 1 and 2 of this section, the amount of the reimbursement to taxpayers for tax years beginning in 2004 and the amount of the payments to collectors for tax years beginning in or after calendar year 2005 shall be one hundred percent for qualifying motor vehicles with a value of one thousand dollars or less.

8. Payments to taxpayers and collectors pursuant to sections 135.1010 to 135.1014 shall not include interest.

9. For tax year 2004 and to the end of tax year 2007, the collector shall include a statement, prepared by the department, with or as part of the tangible personal property tax bills for such qualifying motor vehicles. The statement shall explain how the deduction for the percentage of the reimbursable amount was calculated, how the deduction shall be calculated in future years, and the taxpayer's liability for tangible personal property taxes on qualifying motor vehicles.

135.1012. 1. The reimbursement allowed by this section is subject to appropriation from moneys received by the state pursuant to the master settlement agreement entered into on

November 23, 1998, by the state and leading United States tobacco product manufacturers, and deposited by the state treasurer to the credit of the tobacco settlement trust fund.

2. An amount equal to the percentage of the reimbursable amount as determined pursuant to subsection 2 of section 135.1011 shall appear as a deduction on the tangible personal property tax bill for qualifying motor vehicles.

3. If the general assembly changes the percentage of the reimbursable amount as described in subsection 2 of section 135.1011 for the current tax year and a local taxing authority has already printed its tangible personal property tax bills for qualifying motor vehicles for the year that the percentage is changed, the following procedures shall apply:

(1) If the percentage of the reimbursable amount is decreased for the current tax year and the taxpayer has paid the assessment, the local taxing authority may levy an additional amount for the amount of the difference between the percentage of the reimbursable amount for the tax year reflected on the original assessment and the percentage of the reimbursable amount for the tax year as modified by the general assembly in the current year or carry forward the additional levy and include it on the subsequent tax bill, provided such levy is not subject to penalty and interest; and

(2) If the percentage of the reimbursable amount is

increased for the current tax year and the taxpayer has paid the assessment, the local taxing authority shall issue a refund to the taxpayer for the amount of the difference between the percentage of the reimbursable amount for the tax year reflected on the original assessment and the percentage of the reimbursable amount for the tax year as modified by the general assembly in the current tax year. Such refunds shall be issued by the collector no later than thirty days after receipt of the payment from the state pursuant to subsection 2 of section 135.1011.

4. If the general assembly changes the percentage of the reimbursable amount as described in subsection 2 of section 135.1011 before a local taxing authority prints its tangible personal property tax bills for qualifying motor vehicles, the following procedures shall apply:

(1) If the percentage of the reimbursable amount is decreased for the current tax year, the local taxing authority may adjust each taxpayer's tangible personal property tax bill to reflect the changes made by the general assembly to the percentage of the reimbursable amount; and

(2) If the percentage of the reimbursable amount is increased for the current tax year, the local taxing authority shall adjust each taxpayer's tangible personal property tax bill to reflect the changes made by the general assembly to the percentage of the reimbursable amount.

135.1013. 1. There is hereby created in the state treasury the "Personal Property Tax Relief Fund". The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with sections 30.170 and 30.180, RSMo, and shall deposit to the credit of the fund all moneys which may be appropriated to it by the general assembly and also any gifts, contributions, grants, bequests, or other aid received from any source. These funds shall be used exclusively for the payments to taxpayers and collectors pursuant to sections 135.1010 to 135.1014. The fund shall be administered by the department, which shall make the reimbursement payments required by sections 135.1010 to 135.1014. Notwithstanding section 33.080, RSMo, to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

2. The director shall annually, with its budget request, make and deliver to the governor and the general assembly a statement indicating the sum necessary to fund the payments to collectors pursuant to sections 135.1010 to 135.1014. Upon the request of the governor or general assembly, the department shall also estimate and report the amount to be paid by the state in any tax year to an individual local taxing authority.

135.1014. 1. Sections 135.1010 to 135.1014 shall apply only to taxpayers sixty-five years of age or older.

2. The department shall promulgate regulations for the use of local governments in administering sections 135.1010 to 135.1014. The department shall cooperate with and seek the counsel of local officials and interested groups. Such guidelines shall be available for distribution to local governments on July 1, 2004. Thereafter, the guidelines shall be updated annually. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to chapter 536, RSMo."; and

Further amend said title, enacting clause and intersectional references accordingly.